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Autos & Mobility Industry Briefing -- 19th February to 25th February 2018

News is arranged by company and topic. Stories that apply to more than one company or topic are duplicated.

News about the major automakers

BMW (history)

- As previously rumoured, BMW has been in talks with Great Wall about a joint venture to produce electric Minis in China and has now signed a letter of intent. ([BMW](#))
- Ended production of the 3 Series in its Rosslyn, South Africa, factory. The plant is switching to X3 SUVs. ([BMW](#))
- The redistribution of the Quandt family's controlling shareholding has been finalised. It does not affect board positions or the free float of shares. ([Manager Magazin](#))
- Moovit raised an additional \$50 million from various sources including BMW iVentures and Intel. ([FINSMES](#))

Daimler (history)

- Daimler's Moovel subsidiary will pilot an on-demand shuttle service in Germany. ([Daimler](#))
- Confirmed that Li Shufu of Geely had purchased a 9.7% stake in an announcement that was flattering yet also stressed the company had no plans to change its partnerships in China. ([Daimler](#))

FCA (history)

- FCA has reportedly decided to stop production of diesel vehicles from 2022 onwards. The move is set to be announced at the capital markets day in June. ([Les Echos](#))

Ford (history)

- Ford's North America head departed for unspecified improper behaviour and the company launched a wider reshuffle, including a number of moves amongst the finance leadership -- possibly in a continued quest for a successor to the CFO. ([Ford](#))

Geely (includes Volvo)

- Geely's CEO took a 9.7% Daimler stake -- larger than the 6% or so previously rumoured. ([Manager Magazin](#))
 - Implication: Having now purchased large stakes in both Volvo group (the non-carmaking one) and Daimler, Geely's strategy isn't fully clear. Yes, it could help smooth the way for component sharing, but at the cost of tying up a substantial amount of capital. Unless the plan was to ultimately get Volvo to buy Daimler trucks and Daimler to buy Geely's automotive operations with the money...? Surely not.

General Motors (history)

- Will build the Cadillac XT4 at its Fairfax plant in Kansas. ([US News](#))
- Will reportedly keep its Oshawa, Canada plant on a single shift until late May, longer than previously expected. ([Globe and Mail](#))
- Planning an extended summer shutdown at its Flint truck plant in order to increase capacity. ([Detroit Bureau](#))

- Will invest 1.2 billion Brazilian reais in its Sao Caetano do Sul plant to increase capacity from 250,000 units annually to 330,000 units. ([GM](#))
- Convened meetings with South Korean politicians and labour leaders in an attempt to finalise a plan to make operations in the country viable. Amongst the reported initiatives were a fresh injection of funds by GM, government support and wage freezes. In return, GM may allocate two new vehicles to factories in the country. ([Reuters](#))

Honda (history)

- Announced a series of management changes. ([Honda](#))

Nissan (includes Mitsubishi)

- Said that tests of its previously announced Easy Ride robo taxi pilot scheme would start on March 5th. ([Nissan](#))
- Will start Datsun sales in Zimbabwe. ([Nissan](#))

PSA (includes Opel/Vauxhall) (history)

- Collaborating with Qualcomm on vehicle to infrastructure and vehicle to vehicle communications. ([PSA](#))

Renault (history)

- Unveiled the all-electric Master Z.E. 1T commercial vehicle, which Renault claims has a 120 km real world range. The new van will be an early adopter of Renault's Easy Connect fleet management software. ([Renault](#))

Tata (includes JLR)

- Reportedly hired an investment bank to manage the sale of its Tata AutoComp Systems components subsidiary. ([Deal Street Asia](#))

Tesla (history)

- Researchers found Tesla AWS cloud accounts were being used to mine cryptocurrency; the company said it corrected the problem soon after being alerted. ([BBC](#))
- Executives at DHL said that the Tesla semi-truck (the company has ordered a test fleet of 10) could payback "within a year and a half". ([Reuters](#))
- Started a scheme that will offer free installation of Tesla-specific chargers to businesses. ([The Verge](#))
- Elon Musk left the board of OpenAI to "eliminate a potential future conflict of interest" with Tesla's work in the same field. ([OpenAI](#))
- Model S reportedly outsold its German luxury contemporaries in Europe during 2017. ([Manager Magazin](#))
- Has been replacing under-utilised supercharger stations with slower-charging units. ([Inside EVs](#))

Toyota (history)

- Recalling around 74,000 vehicles in North America to correct seating and stability control issues. ([Toyota](#))
- Announced an electric motor magnet design that Toyota says reduces rare earth material content by 50%. ([Toyota](#))
- Uber's CEO posted photos of a meeting with Toyota's leadership, saying that the two companies were discussing a partnership for autonomous vehicles. ([Deal Street Asia](#))

VW Group (history)

- Announced financial results for 2017. Revenue of €231 billion was up 6.2% versus 2016; operating profit increased to €17 billion, leading the company to propose doubling the dividend. ([VW](#))
- Porsche said that it has already ceased production of diesel versions of the Macan and that sales of diesel Panamera would soon stop -- customers are opting for hybrids in large numbers. Although it production of diesel engines for the current model Cayenne has stopped, it seems the successor vehicle will have diesel. ([UN Climate Action Plan](#))
- Concluded pay negotiations with German unions, agreeing to a 4.3% rise and a new bonus scheme that can be taken as cash or additional leave. The agreement lasts until April 2020. ([VW](#))

- Škoda unions are said to be demanding a 15% pay rise over 27 months, threatening “unlimited” strikes until agreement is reached. ([Handelsblatt](#))
- Will invest €80 million in a cabriolet version of the T-Roc SUV. Sales will start in 2020 and the company aims to sell 20,000 units each year. Good luck. ([VW](#))
- Porsche said that it is working on blockchain technology for application in vehicles. Alongside the expected talk of new business models, Porsche mentioned some additional benefits -- a distributed ledger can speed up verification of commands, in Porsche’s case reducing the time it takes for a door opening command to activate. ([Porsche](#))

Other

- A team of students in the Netherlands, working with 3D printing company **Oceanz** have produced a car, dubbed Noah, they claim is fully recyclable and suitable for production via 3D printing. ([3d print](#))
- **Mahindra & Mahindra** said it would invest an additional 500 crores INR (about \$77 million) in electric vehicles and components for EVs. ([Mahindra](#))
- **Mitsuoka** launched the new Himiko, a Morgan-esque two seat sports car. ([Mitsuoka](#))

News about other companies and trends ...

Economic / Political News

- **UK** government ministers said they are aiming for vehicle regulations to continue to be aligned between the UK and the EU post **Brexit**. ([Economic Times of India](#))

Suppliers

- **Bosch** said it was creating a new mobility division and announced the acquisition of US start-up **SPLT**. ([Bosch](#))
- **Magna** reported full year 2017 financial results. Revenue of \$38.9 billion was up 7% on 2016, adjusted EBIT of \$3.1 billion was also 7% higher than prior year. ([Magna](#))
- **Valeo** reported financial results for 2017, sales of €18.6 billion rose 12% from 2016 and net income of €1 billion was up 8%. ([Valeo](#))
- **Delphi Technologies**, the former powertrain division of Delphi before the separation into Delphi and Aptiv, released 2017 financial results; Revenues of \$4.8 billion rose 9% on prior year, net income was \$285 million. ([Delphi](#))
- **Visteon** reported full year 2017 financial results. Revenue of \$3.1 billion was about inline with 2016, Net income was \$176 million. ([Visteon](#))
- **Continental** will build a powertrain electronics factory in Hungary. The €100 million plant will employ 450 people and production is set to begin in Q3 2020. ([Continental](#))
- **Mahle** said that it had developed a cheaper ethanol-based fuel called MBE2. The main innovation is a way of speeding up the fermentation process. ([Mahle](#))

Dealers

- **Carlease.com**, a provider of new cars delivered to customers’ doorsteps, said it raised \$3.5 million. ([Press Release](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Bosch** said it was creating a new mobility division and acquired US start-up **SPLT / Splitting Fares** ([Bosch](#))
 - Implication: If you want your mobility company to be acquired, maybe start a weekly newsletter? Both Stratim and SPLT did just this and now they belong to someone else.
- **Sony** is partnering with a group of Japanese taxi firms to create a ride hailing service. The company believes that it can offer artificial intelligence competencies that will set its efforts apart. ([Reuters](#))
- **Citymapper** said that it had finished its pilot scheme running bus services in London and decided to start trials of a fleet of smaller minibuses. The company said it would like to operate larger vehicles but that regulations were currently too great an obstacle. ([Citymapper](#))
 - Implication: Citymapper’s experience shows that for all the clever algorithms and awesome new never-seen-before ways of running a bus service, practical problems remain. Interestingly, one point the company didn’t

mention was that bus services are often lossmaking anyway -- it is common for larger public transport systems to have subsidies amount to between a third and a half of income. Ticket price rarely reflects operating cost.

- Car sharing firm **MyKeego** has started operations in Buenos Aires, Argentina. ([Auto Rental](#))
- **Moovit** raised an additional \$50 million from various sources including **BMW iVentures** and **Intel**. ([FINSMES](#))
- **Via** won a contract to develop on-demand technology for public transport in **Singapore**. ([Via](#))

Driverless / Autonomy (history)

- **Avis** said it will continue to expand its operations with **Waymo**. ([Reuters](#))
- **Uber's** CEO posted photos of a meeting with **Toyota's** leadership, saying that the two companies were discussing a partnership for autonomous vehicles. ([Deal Street Asia](#))
- **Uber's** CEO said autonomous cars would be in operation on Uber's network "in less than a year". ([Bloomberg](#))

Electrification (history)

- BP's latest energy outlook forecast a peak demand for oil in the 2030s as growth in electric car sales reduces fossil fuel consumption. Under one scenario, 30% of vehicle miles in 2040 would be electric -- implying a significantly higher than 30% share of new car sales at that point in time. ([Reuters](#))
- Delivery firm **UPS** said it was working with electric vehicle start-up **Workhorse** on a bespoke electrified delivery vehicle. The collaboration initially hopes to create a test fleet of 50 vehicles. ([The Verge](#))
 - UPS follows DHL (who bought Streetscooter) in deciding that mainstream OEMs aren't up to the challenge of providing the vehicles that they need. US Postal Service could follow the same path. Given all the complaints from OEMs about customers not wanting electric vehicles, it's a shame they aren't taking greater advantage of the opportunities arising from those that do.
- Researchers published a paper indicating that lithium ion batteries could be charged much faster if fibre optic sensors were fitted to monitor heat within the battery, without causing large reductions in battery life. ([Engadget](#))
- UK electricity network monopoly, **National Grid**, is proposing 100 high power charging stations along key motorway routes to provide stations within a 50 mile radius to 90% of motorists. ([Engadget](#))
- **Apple** are reportedly changing their strategy on cobalt purchasing in the face of higher demand for the material created by electric vehicles. ([The Verge](#))
- **Toyota** announced an electric motor magnet design it says reduces rare earth material content by 50%. ([Toyota](#))

Connectivity

- **Denso** invested in cybersecurity start-up **Dellfer** which specialises in finding so called "zero day" weaknesses in security systems. ([Denso](#))
- **Panasonic** agreed a partnership with **Trend Micro** to develop cyber security for connected cars. ([Telematics News](#))
- Japanese telecoms company **NTT Docomo** invested in car data marketplace **Otonomo**. ([Telematics News](#))

Other

- **Airbus's** flying taxi, Vahana, took to the skies in test flights. The company revealed that a one minute flight used about 8% of the battery capacity. ([Geekwire](#))
 - Implication: Either flying taxi companies are betting on massive improvements in weight and cost (probably) or are planning on woefully short ranges (probably not). The most likely way to keep these vehicles in the air continuously is (whisper it) battery swapping.
- Hong Kong-based dockless bike sharing scheme **GoBee** said it was shutting its operations in France, blaming vandalism and a weak business model. ([TechCrunch](#))